

## KARL MARX’S “CAPITAL” AND ITS CREATIVE APPLICATION IN THE CURRENT CONTEXT

[“O CAPITAL”, DE MARX, E SUA APLICAÇÃO CRIATIVA NO CONTEXTO ATUAL]

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**ABSTRACT:** Karl Marx’s “Capital” book series is a classic that profoundly analyzes the nature of capitalism, from the process of commodity production to the internal contradictions that lead to its inevitable collapse. In the context that Vietnam is building and perfecting a socialist-oriented market economy, the core principles from this book not only provide a theoretical foundation but also a practical orientation for innovation. This paper analyzes the logical structure and main content of the book, and explores how to apply key concepts such as surplus value, abstract labor, and the law of declining profit margins to the socio-economic reality of Vietnam. Through this, the article clarifies the role of Marxist theory in solving the problems of income inequality, economic crisis and sustainable development, affirming the scientificity and vitality of Marxism-Leninism in the specific conditions of Vietnam. The study emphasizes the need to continue to innovate to overcome the challenges of globalization and the industrial revolution 4.0.

**KEYWORDS:** Karl Marx; Capital; surplus value; socialist-oriented market economy; Vietnam; Renovate; sustainable development.

**RESUMO:** A obra “O Capital”, de Karl Marx, é considerada uma obra clássica que tem como objetivo fazer uma análise profunda da natureza do capitalismo, começando pelo processo de produção de mercadorias chegando às contradições internas que desembocam em seu inevitável colapso. Os princípios fundamentais da obra de Marx não apenas fornecem uma base teórica, mas também oferecem orientações práticas para a inovação ao contexto vietnamita de construção e aperfeiçoamento de uma economia de mercado de orientação socialista. Este artigo tem por objetivo analisar a estrutura lógica e o conteúdo principal da obra em pauta, além de buscar entender sobre como aplicar conceitos-chave tais como mais-valia, trabalho abstrato e a lei das margens de lucro decrescentes à realidade socioeconômica vietnamita. Nesse contexto, o artigo busca esclarecer qual papel exerce a teoria marxista na solução de problemas decorrentes da desigualdade de renda, assim como da crise econômica e do desenvolvimento sustentável, afirmando a cientificidade e a vitalidade do marxismo-leninismo nas condições específicas do Vietnã. A pesquisa enfatiza, ainda, a necessidade de continuar inovando para superar os desafios advindos da globalização e da revolução industrial 4.0.

**PALAVRAS-CHAVE:** Karl Marx; Capital; mais-valia; economia de mercado orientada ao socialismo; Vietnã; desenvolvimento sustentável.

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## 1. INTRODUCTION

Karl Marx's *Capital: Critique of Political Economy* is one of the most important milestones in the history of human thought, not only because of his profound economic analysis but also because of his ability to criticize society and forecast history in a revolutionary way. Written in the context of the Industrial Revolution of the nineteenth century, when steam machinery, mass production lines and the explosion of factories fundamentally changed the socio-economic structure of Europe, *Das Kapital* exposes the exploitative nature of capitalism through the scientific analysis of production processes, circulation and distribution of surplus value (Marx, 2024). The work is not only an economic work but also a sharp theoretical weapon, which became the basis for the international workers' movement and socialist revolutions around the world (Burawoy, 1990). More than 150 years after its publication, *Das Kapital* retains its value in providing the theoretical tools to understand and solve modern socio-economic problems, from income inequality, periodic financial crises to the impacts of automation and climate change (Foster, 1997).

Born in a period when capitalism was flourishing but also exposed deep contradictions, *Das Kapital* reflects the historical context of the nineteenth century, when the bourgeoisie consolidated its economic and political power, while the working class faced harsh working conditions and relentless exploitation. The factories in England, the epicenter of the Industrial Revolution, were where Marx collected empirical data to build his reasoning (Rosenberg, 1974). He used reports on working conditions, long working hours, and worker poverty to demonstrate that capitalist profits did not come from the "magic" of the market, but from the unpaid labor of the working class. With the dialectical materialist approach, which sees the world as a process of continuous movement through contradiction, negation of negation and synthesis, together with historical materialism, emphasizes that human history is driven by the development of productive forces and production relations, Marx built a system of reasoning that went far beyond classical economists such as Adam Smith or David Ricardo (Gupta, 2023).

Adam Smith, in *The Wealth of Nations* (1776), recognized labor as the source of value, but did not deeply analyze the mechanisms of class

exploitation. David Ricardo, in his *Principles of Political Economy and Taxation* (1817), developed the theory of the value of labor and the distinct land, but ignored the role of social contradiction in economic development. Marx overcame these limitations by not only describing economic phenomena but also analyzing the social nature of capital, pointing out that capital is an exploitative social relation in which surplus value – the foundation of profits, interest rates, and land – is created from unpaid labor (Marx, 2024). The approach ranges from the abstract (analyzing commodities as the “cells” of capitalist society) to the concrete (analyzing the entire system of production and capitalist circulation) makes *Das Kapital* a work of timeless theoretical power.

*Das Kapital* consists of three volumes, which are built according to a tight logical structure. Volume 1 (*The Production Process of Capital*), published in 1867, focuses on the capitalist mechanism of production, analyzing the concept of commodities, abstract labor, and surplus value. Volume 2 (*The Circulation of Capital*, 1885) and Volume 3 (*The General Process of Capital's Production*, 1894) were edited and perfected by Friedrich Engels, Marx's companion and associate, from incomplete manuscripts after Marx's death in 1883. Engels not only arranged the text logically, but also added important footnotes, defending Marx's theoretical legacy against criticism from contemporary bourgeois economists. All three volumes constitute a comprehensive system of reasoning, exposing the internal contradictions of capitalism and predicting its inevitable collapse due to deepening crises.

In the context of globalization and the Industrial Revolution 4.0, the concepts of *Das Kapital* still play an important role in explaining modern socio-economic phenomena. Income inequality, with the global Gini coefficient hovering around 0.40, reflects capital accumulation and appropriation of surplus value by multinational corporations. Periodic financial crises, such as the 2008 crisis or the recession caused by the COVID-19 pandemic (2020-2022), demonstrate Marx's prediction of the production-circulation conflict and the law of declining profit margins. The development of artificial intelligence and automation in the Industrial Revolution 4.0, which reduced the need for living labor, is also consistent with Marx's analysis of the immutable rise of capital and its impact on labor (Kurt, 2019). In addition, environmental issues and climate change pose new challenges, requiring Marx's reasoning to be supplemented to resolve

the contradictions between economics and ecology (Foster, 1997).

This paper aims at three main objectives: clarifying the logical structure and core content of *Das Kapital*, from the analysis of commodities as the economic cells of capitalist society to the law of declining profit margins as the driving force of crises; analyze how to apply Marx's concepts to global socio-economic problems, including income inequality, the financial crisis, and the impact of automation; propose theoretical development directions to adapt to the new challenges of the digital economy, globalization and climate change. The study uses a theoretical analysis method combined with practical analysis, based on academic literature and global economic data from the World Bank and the International Monetary Fund (IMF). Thereby, the article not only affirms the scientific value of *Das Kapital* but also emphasizes the need to renew theoretical thinking to deal with the challenges of the 21st century.

## **2. Research methods**

The study uses a combination of theoretical and practical analysis, based on the following sources: Theoretical Sources: *Das Kapital* Content Analysis (Volumes 1, 2, 3) to clarify key concepts such as commodities, surplus value, abstract labor, and the law of declining profit margins. The concepts are contrasted with academic studies such as Neocosmos (1986). Practical sources: Using data from global economic reports by the World Bank, the International Monetary Fund (IMF), and studies on income inequality and the impact of the Industrial Revolution 4.0. Analytical methods: Combining dialectical materialism to analyze the internal contradictions of capitalism in *Das Kapital*, along with quantitative analysis (data on the Gini coefficient, unemployment rate, and global GDP growth) to evaluate the application of Marx's theory in the modern context.

## **3. RESULTS AND DISCUSSION**

### **3.1. Structure and core content of *Das Kapital***

*Das Kapital* is built according to a strict logical structure, adhering to the principle of analysis from abstract to concrete, from general to specific, reflecting the

dialectical nature of social mobilization (Gupta, 2023).

### ***Volume 1: The Production Process of Capital***

Volume 1 begins with the analysis of commodities – the “economic cell” of capitalist society. Goods have two attributes: use value (specific use, created by specific labor) and exchange value (due to abstract labor, i.e. necessary, crystallized social labor). Abstract labor is a key concept, representing human labor in general, creating social value. Currency is the form of development of value, from common goods to means of circulation (Marx, 2024).

The core part of Volume 1 is the theory of surplus value, which explains the origin of capital's profits. Marx argued that capital is not “material” that creates value, but social relations that exploit hired labor. The surplus value is created when the daily working time exceeds the time required to reproduce labor power (the value of labor power, which is equivalent to the minimum cost of living). Labor time is divided into necessary labor and surplus labor. The surplus value ratio is calculated using the formula:  $m' = \frac{m}{v} \times 100\%$ , where  $m$  is the surplus value,  $v$  is the labor power value. Marx classified absolute surplus value (lengthening the working day by law or violence) and relative (reducing the labor time required through increasing labor productivity by machines). He also criticized the long “labor day” that led to labor alienation and accumulation of poverty, using data from nineteenth-century British factories to illustrate (Rosenberg, 1974).

### ***Volume 2: The Circulation of Capital***

Volume 2 expands the analysis to the field of circulation and reproduction. Marx described the formula of capital circulation: Money – Commodities ... Production... Commodities', Money', in which capital goes through three stages: buying, producing, selling. He analyzed the forms of capital: monetary capital (lending), productive capital (industry) and commercial capital (circulation). The fundamental contradiction is between the socialization of production (collective labor) and the individualization of ownership (private ownership of the means of production). Marx predicted

a crisis of surplus due to circulation not keeping up with production, leading to boom-crisis-recession cycles, as evidenced by the economic crises of the nineteenth century (Burawoy, 1990).

### *Volume 3: The General Process of Production of Capital*

Volume 3 synthesizes the previous two volumes, analyzing the transformation of surplus value into profits, land and interest rates. The average profit margin is formed through competition, the distribution of surplus value according to the investment ratio, leading to the law of the decrease in profit margin because the immutable capital component (machinery) increases faster than the variable capital (labor). Marx also analyzed absolute land (from land monopoly) and distinct land (from different productivity), criticizing the landlord class as the “parasite” of capital. Volume 3 emphasizes that the conflict between the working class and the bourgeoisie was the driving force of history, leading to the inevitable collapse of capitalism and the birth of socialism (Marx, 2024).

Das Kapital is not only an economic analysis but also a theoretical weapon for the working class, predicting that capitalism will “bury itself” through deepening crises.

#### *3.2. Scientific significance of Das Kapital*

Karl Marx’s Das Kapital is an important milestone in the history of economic and social thought, taking on timeless scientific significance thanks to the use of dialectical materialism and historical materialism. Unlike classical economists such as Adam Smith or David Ricardo, who mainly focused on surface economic phenomena such as prices, supply and demand, or profit, Marx delved into the social nature of capital, exposing that capital is not a “material” that generates value on its own. but an exploitative social relation in which surplus value – the foundation of all forms of profit, interest and land – is created from the unpaid labor of the working class (Burawoy, 1990). Marx’s analytical method, from the abstract (commodities as the “economic cell” of capitalist society) to the concrete (the entire system of production and circulation of capital), allowed him to construct a coherent system of reasoning, transcending the limitations of

classical economics and laying the foundations for a new scientific approach to economics and society.

The dialectical materialist method, which sees the world as a process of continuous movement through contradiction, negation of negation and synthesis, helps Marx analyze capitalism not only as an economic system but also as a historical social phenomenon. While Adam Smith, with his theory of the “invisible hand” in *The Wealth of Nations* (1776), recognized labor as the source of value but did not delve into the mechanism of class exploitation, Marx pointed out that surplus value, created from unpaid labor, is the center of capital accumulation (Marx, 2024). Similarly, David Ricardo, in his *Principles of Political Economy and Taxation* (1817), developed a theory of labor value and distinct land, but ignored the role of social contradiction in economic development. Marx remedied these shortcomings by using historical materialism, emphasizing that human history is driven by the development of productive forces and production relations, thereby demonstrating that the internal contradictions of capitalism – especially between the working class and the bourgeoisie – are the driving force for social change.

The scientific significance of *Das Kapital* also lies in its ability to predict long-term socio-economic trends, many of which have been verified by historical events. Marx predicted that the process of capital accumulation would lead to increasing inequality, as surplus value was concentrated in the hands of a bourgeois minority, while the working class fell into relative poverty. This prediction is exemplified by the increase in income inequality in the 21st century, as documented by Frankel (2018), with the global Gini coefficient hovering around 0.40 (World Bank, 2020). Marx also predicted periodic economic crises due to the contradiction between production and circulation, when production capacity outstrips the capacity of the market, leading to a surplus crisis. Events such as the Great Depression of 1929 and the global financial crisis of 2008 are clear demonstrations of this reasoning (Foster, 1997). In addition, the law of declining profit margins, due to the increase in immutable capital (machinery, technology) compared to variable capital (labor), analyzed by Marx in Volume 3, explains the long-term tendency of capitalism, when capitalists must seek to compensate by increasing exploitation or expanding markets. These predictions not only confirm the science of *Das Kapital* but also demonstrate its applicability in analyzing modern economic issues, from automation to climate change.

By providing a comprehensive theoretical framework, Das Kapital becomes an indispensable tool for understanding and resolving the contradictions of capitalism in the context of globalization (Marx, 2024).

### ***3.3. Das Kapital application in the context of globalization***

In the context of globalization and the Industrial Revolution 4.0, the concepts of Das Kapital still play an important role in explaining and solving global socio-economic problems.

#### ***Income inequality and surplus value***

Marx's theory of surplus value helps explain the increase in income inequality in the global economy. According to the World Bank (2020), the global Gini coefficient fluctuates at 0.40, reflecting a serious differentiation between rich and poor. In the modern capitalist economy, surplus value is created from the labor of billions of workers in global supply chains, but much of it is appropriated by multinational corporations. Redistributive policies, such as progressive taxation and social insurance, can be designed based on Marx's reasoning to ensure surplus value is distributed more equitably, reducing inequality (Adaman & Özkaynak, 2002).

Economic crisis and the law of declining profit margins

Marx's law of declining profit margins explains periodic financial crises, such as the 2008 crisis and the recession caused by the COVID-19 pandemic (2020-2022). The increase in immutable capital (automation, artificial intelligence) reduces the rate of living labor, leads to a decrease in profit margins and forces companies to cut costs or shift production to countries with low labor costs (Kurt, 2019). Marx also predicted that the production-circulation conflict would lead to a surplus crisis, as evidenced by the collapse of the derivatives financial markets in 2008. Policymakers can use this reasoning to design sustainable credit and investment controls.

#### ***Automation and abstract labor***

The Industrial Revolution 4.0, with the development of artificial intelligence and automation, is reducing the demand for living labor,

leading to relative unemployment – a phenomenon that Marx predicted in Volume 3. Marx's concept of abstract labor can be applied to orient labor training, shifting from concrete labor (manual) to modern abstract labor (digital skills, programming). Labor education and retraining policies should focus on reducing labor alienation and increasing workers' control over the production process.

### ***Sustainable development and land***

The concept of land in Volume 3 of *Das Kapital* can be applied to address environmental issues and sustainable development. Absolute land (from land monopoly) and heterogeneous land (from different yields) reflect how natural resources are exploited to generate profits. In the context of climate change, resource management policies based on Marx's reasoning can help equitably allocate resources, minimize overexploitation, and promote a green economy (Neocosmos, 1986). For example, imposing a carbon tax or investing in renewable energy can be seen as a way to socialize surplus value from natural resources, serving the interests of the community (Leff, 1993).

#### **3.4. Challenges and prospects of *Das Kapital* application Challenge**

In the context of globalization and the explosion of social networks, the core concepts of *Das Kapital* face many new challenges, requiring innovation in the approach and application of Karl Marx's theory. One of the biggest challenges is the weakening of class consciousness – the underlying concept in *Das Kapital* (Frankel, 2018). Globalization, along with the spread of consumer culture through social media platforms, has promoted individualism and consumer lifestyles, blurring the perception of the class conflict between the bourgeoisie and the proletariat. Workers, especially the younger generation, are increasingly caught up in the pursuit of material values, such as luxury goods or the "personal success" lifestyle, which are promoted through global media campaigns. This undermines the sense of class solidarity, which is the driving force for the working class to struggle against exploitation. To overcome this, it is necessary to develop strategies for educating creative thought, taking advantage of digital platforms such as social networks, e-learning applications, and modern media to disseminate Marx's theory. These educational programs need to be vividly designed,

combined with practical examples, to arouse a sense of class conflict and promote solidarity in the global workforce (Burawoy, 1990).

The second challenge is related to the increase in immutable capital (machines, artificial intelligence) in the Industrial Revolution 4.0, which reduces the demand for living labor and leads to relative unemployment. According to the World Economic Forum (2020), automation could replace 85 million jobs by 2025, especially in industries that use a lot of manual labor. This phenomenon is consistent with Marx's analysis in Volume 3 of *Das Kapital* of the law of declining profit margins, when immutable capital increases faster than variable capital, reducing the proportion of laborers living in production (Marx, 2024). As a result, social unrest increases, as workers lose their jobs or compete in an increasingly fierce labor market. To solve it, innovative solutions are needed to reorient the workforce, such as retraining digital skills, artificial intelligence, and high-tech fields. At the same time, there is a need to design policies to redistribute surplus value, such as universal basic income or employment assistance programs, to mitigate the impact of automation and ensure social justice.

The third challenge is the increasingly intense economic and environmental conflicts in the context of climate change. Capitalism continues to exploit natural resources to maximize profits, leading to environmental degradation and increased inequality in access to resources. Marx's theory of the topography in *Das Kapital* can provide a basis for analyzing this problem, but it needs to be supplemented by studies of ecological economics to address modern environmental challenges. For example, the overexploitation of resources, such as forests and minerals, reflects the contradiction between capitalist production and public interest, requiring more sustainable and equitable resource management policies.

Prospect

Despite facing many challenges, *Das Kapital*'s theory still opens up promising prospects for analyzing and solving socio-economic problems in the era of globalization. First of all, Marx's theory can be developed to analyze the digital economy, where surplus value is created not only from physical labor but also from data and intellectual labor. Digital platforms such as social media, e-commerce, and artificial intelligence are creating new forms of exploitation, as user data becomes a source of surplus value for tech corporations. Studies based on *Das Kapital* can predict "tech bubbles" and suggest how to equitably distribute value in the digital economy, such

as through data tax policies or collective data ownership.

Second, the application of Marx's theory to the green economy opens up opportunities to design socialized production models that prioritize the interests of the community over individual profits. The concept of land in *Das Kapital* can be used to formulate sustainable resource management policies, such as carbon taxes or investments in renewable energy, to minimize over-exploitation and protect the environment. These models not only resolve the economic-environmental conflict but also promote social justice, in line with Marx's spirit of the socialization of production.

Finally, in the context of global economic integration through free trade agreements, *Das Kapital*'s reasoning can be used to protect workers' rights against the exploitation of multinational corporations. Policies such as requiring technology transfer, protecting labor rights, and applying international labor standards can be designed based on Marx's analysis of surplus value and class conflict. These prospects affirm that *Das Kapital* is not only a theoretical work of the nineteenth century, but also a powerful tool for guiding solutions to the socio-economic challenges of the twenty-first century.

#### **4. CONCLUSION**

Karl Marx's *Das Kapital* retains its scientific and practical values after more than 150 years, providing a sharp theoretical tool for analyzing and resolving the contradictions of capitalism in the context of globalization. Through a tight logical structure and concepts such as surplus value, abstract labor, and the law of declining profit margins, the work helps to explain modern issues such as inequality, economic crises, and the impact of automation. However, in order to adapt to the challenges of the Industrial Revolution 4.0 and climate change, Marx's theory needs to be supplemented and developed through interdisciplinary research and practical policies. This article contributes to affirming the vitality of *Das Kapital* as a theoretical foundation for building a more just, sustainable and humane society.

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